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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [AM](#)
SUBJECT: VIKTOR DALLAKIAN OUTLINES POLITICAL PREDICTIONS
AND VISION FOR "PROSPEROUS ARMENIA"

REF: YEREVAN 280

Classified By: Pol/Econ Chief Steve Banks for reasons 1.4 (b,d)

1 (C) SUMMARY: Prosperous Armenia's parliamentary leader-in-waiting Viktor Dallakian spoke like an oppositionist in a recent private meeting. He said it was pointless to speak in terms of "government" and "opposition" in Armenia; instead the competition is between "criminal" (implying the ruling Republican Party) and "anti-criminal" (Prosperous Armenia) factions within ruling circles. He said President Kocharian must choose which of these he will support. The wrong choice could lead--Dallakian rather preposterously asserted--to a Rose Revolution-style uprising. He insisted that Prosperous Armenia would not just be a parliamentary mouthpiece of Kocharian. Dallakian's real agenda remains to be seen. END SUMMARY

12. (C) Polchief met September 12 with MP Viktor Dallakian, the all-but-declared parliamentary leader and chief operating officer of the Prosperous Armenia faction, for a getting-to-know you coffee and to preview the pre-election political scene. Dallakian was friendly, eager to meet, and led off by declaring his intention to "speak frankly, not diplomatically." He expressed hope that we would meet again often.

DUELING INSIDERS?

12. (C) Dallakian said that the key political battle ahead was between the ruling Republican Party and his new Prosperous Armenia (PA) grouping; in other words the "bad guys" versus the "good guys." He dismissed Armenia's existing opposition parties as a non-factor. As he and Tsarukyan have told us before, Dallakian insisted that PA would put only honest, credible candidates on its lists. He hoped that President Kocharian, a pragmatist, would choose the mantle of political reformer and throw his support behind PA, but did not consider this a given. He said that even though Kocharian and Tsarukyan are good friends, this would "not be the dominant factor" in parliamentary politics if PA wins seats. PA would have its own policy agenda, and would not just meekly do Kocharian's bidding.

13. (C) Dallakian felt that Armenia is at a political crossroads, and the key question is whether the "criminal" elements in top political circles will maintain their grip on power through fraud--and whether Kocharian will choose to oppose or join with these elements. Whoever wins the presidency in 2008, Dallakian asserted, will certainly rule through 2018 (the constitutionally permitted two terms of office). If corrupt interests capture the presidency, it will be a disaster for Armenian democracy, and Armenia will become further isolated in the world. Dallakian predicted if

this happened, Armenia would soon be at risk of a Rose Revolution-type uprising, as the people would have no more patience for regime corruption and manipulation.

TACTICAL GAMES

14. (C) Dallakian explained that, though he is de facto the architect of PA's structure and program, he still delayed formally joining the party or announcing his affiliation. This was merely a ploy to distract opponents and media, who were left playing guessing games about his next move, while he focused on his legislative work. He told us, with a mischievous twinkle in his eye, that he was on his way to the parliament floor to make a speech critical of President Kocharian, which seemed to be another tactic aimed at confusing the media. Asked if he thought the president would be seriously annoyed by what he would say, Dallakian backpedaled and suggested he would be careful not to be too provocative. (NOTE: Dallakian claimed even to have chosen the name Prosperous Armenia--though this is suspect, since Tsarukyan registered the name in 2004, and Dallakian told us

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he only met Tsarukyan for the first time six months ago. END NOTE)

15. (C) We asked if Tsarukyan intended to run for reelection to his parliamentary seat. Dallakian said he had advised Tsarukyan not to run for reelection to his single-mandate

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(first-past-the-post) seat, but instead to head the PA party list for a proportional representation seat. This would put PA's most popular figure--Tsarukyan himself--at the top of the ticket. After the election, Tsarukyan should announce he had accomplished his goal of getting honest, qualified

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candidates into the parliament under his banner, but he was not himself a politician by nature, so would resign his parliamentary seat. This would leave Dallakian the senior MP of the PA faction, which he predicted confidently would be the largest faction in the next session. Dallakian expected he himself would become speaker of the National Assembly, and that Tsarukyan would leave him a more or less free hand to run the parliament as he saw best.

FAST FRIENDS

16. (C) We asked Dallakian whether he and Tsarukyan were old friends or only recent political partners. Dallakian said he had met Tsarukyan face-to-face for the first time just six months ago, in February. Tsarukyan had been following Dallakian's parliamentary work and thought he might be a credible partner, and so sought Dallakian out for a conversation where the two men compared notes on their vision for Armenia's future. Tsarukyan had quickly decided Dallakian was the man to head his nascent political movement. Dallakian boasted that he was the most active legislator in parliament, in terms of the number of bills that he had introduced to the legislature, and he intended to recruit to the PA group the second-most prolific legislation-writer in the National Assembly. He spoke of his hard work as chairman of the parliament's legal affairs committee. (NOTE: Despite being a member (until recently) of the opposition Justice Bloc, Dallakian served as a chairman of this committee apparently because he has been a technocratic workhorse and ruling party leaders felt they needed him to get the work done. END NOTE)

17. (C) We asked how often he and Tsarukyan see each other. Hedging, Dallakian insisted that he could see Tsarukyan

whenever he needed to for PA's political business. While the two men had met once a week or so in the spring, during the summer he had not actually seen Tsarukyan for the last three months.

FOREIGN POLICY

18. (C) Dallakian commented briefly of the need for the three South Caucasus republics to settle their differences and be united into a single international security system, (seemingly meaning NATO, though he did not say this explicitly). He hoped Armenia would draw closer to the Euro-Atlantic institutions. Dallakyan's eagerness to meet with American diplomats, early and often, was evident.

COMMENT: WHAT SIDE ARE YOU ON, MR. DALLAKIAN?

19. (C) We are not entirely sure what to make of Dallakian's mix of self-promotion, anti-government rhetoric, and readiness (at least conditionally) to rally behind a pro-Kocharian banner. The man has been well-regarded as a seemingly honest, hard worker in parliament, toiling away at some of the important but unglamorous legislative work. He is one of the rare MPs to have won his own single-mandate seat out of genuine popularity. Most of the single-mandate seats are held by rich, do-nothing oligarchs who bought off voters in their districts in exchange for status and parliamentary immunity. We assume that Dallakian means Serzh Sargsian--Defense Minister, lately-appointed Republican Party leader, and heir presumptive to the presidency--as one of the "criminal" elements in the regime. It seems strange to indict Sargsian while giving Kocharian the benefit of the doubt; most opposition figures always describe the two as joined at the hip. Has Dallakian "sold out" to get a piece of the power pie, lending his opposition credentials to a repackaged corrupt oligarchy? Or could he actually mean what he says about cleaning up politics? Or, perhaps, does Dallakian mean what he says, while his patron, Tsarukyan, perhaps does not? We will have to watch this unfold.
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